

JENNIFER M. GRANHOLM
GOVERNOR



STATE OF MICHIGAN
LIQUOR CONTROL COMMISSION
DEPARTMENT OF LABOR & ECONOMIC GROWTH
DAVID C. HOLLISTER, DIRECTOR

NIDA R. SAMONA
CHAIRPERSON

BULLETIN 3070-17

Date January 28, 2004

To Vendors
Vendor Representatives
Authorized Distribution Agents

From Michigan Liquor Control Commission

Subject ADA case cost increase

Be advised that, at its Administrative Meeting of January 20, 2004, the Michigan Liquor Control Commission amended the Commission Order of December 27, 1996, as amended on July 16, 1997, December 14, 2000, January 3, 2001, December 18, 2001, and January 8, 2003, to provide as follows:

"It is the Order of the Commission that pursuant to MCL436.1205(13), effective February 1, 2004, the Commission shall pay a vendor of spirits, in addition to the purchase price of the spirits, an amount of \$6.70 for each case of spirits purchased as an offset to the costs being incurred by that vendor of spirits in contracting with an Authorized Distribution Agent for the warehousing and delivery of spirits to retail licensees, and that due to changes in the pricing structure of liquor in effect in Michigan at the time of privatization a total of \$7.78 per case purchased by the Commission will be realized by the vendor of spirits; further, that the vendors of spirits shall continue to pay at least an additional \$1.08 above the per case offset established by the Commission, and that a total of at least \$7.78 per case purchased by the Commission shall be paid to the Authorized Distribution Agents by the vendors of spirits for warehousing and delivery services.

Also, it is the Order of the Commission, that vendors of spirits shall amend each of their Authorized Distribution Agent contracts to reflect that a minimum payment of \$7.78 per case shall be paid by the vendor of spirits to the Authorized Distribution Agent for warehousing and delivery services; it is the further Order of the Commission that, while the increase in the minimum payment to Authorized Distribution Agents is effective February 1, 2004, vendors of spirits shall have until February 22, 2004 to submit to the Commission an acceptable executed amendment to their Authorized Distribution Agent contract; further, failure to submit amended Authorized Distribution Agent contracts reflecting a minimum payment of \$7.78 per case by February 22, 2004 shall result in delisting of that vendor of spirits' products effective May 2, 2004."

If you have any questions regarding this matter please contact the Products and Pricing section at 517.322.5882.